

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FRANCHISE GROUP, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 24-12480 (LSS)

(Jointly Administered)

Ref. Docket No. 1312; 1371

Objection Deadline: May 14, 2025

**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF CERTAIN
LANDLORDS TO DEBTORS' PROPOSED CURE AMOUNTS**

Benderson Development Company, Shamrock A Owner, LLC, Regency Centers, L.P., and SITE Centers Corp. (each, a “Landlord” and, collectively, the “Landlords”), by and through their undersigned counsel, Kelley Drye & Warren LLP, hereby submit this limited objection (the “Objection”) to the Cure Notice (as defined below). In support of this Objection, Landlords respectfully state as follows:

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of their U.S. federal tax identification numbers, to the extent applicable, are Franchise Group, Inc. (1876), Freedom VCM Holdings, LLC (1225), Freedom VCM Interco Holdings, Inc. (2436), Freedom Receivables II, LLC (4066), Freedom VCM Receivables, Inc. (0028), Freedom VCM Interco, Inc. (3661), Freedom VCM, Inc. (3091), Franchise Group New Holdco, LLC (0444), American Freight FFO, LLC (5743), Franchise Group Acquisition TM, LLC (3068), Franchise Group Intermediate Holdco, LLC (1587), Franchise Group Intermediate L, LLC (9486), Franchise Group Newco Intermediate AF, LLC (8288), American Freight Group, LLC (2066), American Freight Holdings, LLC (8271), American Freight, LLC (5940), American Freight Management Company, LLC (1215), Franchise Group Intermediate S, LLC (5408), Franchise Group Newco S, LLC (1814), American Freight Franchising, LLC (1353), Home & Appliance Outlet, LLC (n/a), American Freight Outlet Stores, LLC (9573), American Freight Franchisor, LLC (2123), Franchise Group Intermediate B, LLC (7836), Buddy’s Newco, LLC (5404), Buddy’s Franchising and Licensing LLC (9968), Franchise Group Intermediate V, LLC (5958), Franchise Group Newco V, LLC (9746), Franchise Group Intermediate BHF, LLC (8260); Franchise Group Newco BHF, LLC (4123); Valor Acquisition, LLC (3490), Vitamin Shoppe Industries LLC (3785), Vitamin Shoppe Global, LLC (1168), Vitamin Shoppe Mariner, LLC (6298), Vitamin Shoppe Procurement Services, LLC (8021), Vitamin Shoppe Franchising, LLC (8271), Vitamin Shoppe Florida, LLC (6590), Betancourt Sports Nutrition, LLC (0470), Franchise Group Intermediate PSP, LLC (5965), Franchise Group Newco PSP, LLC (2323), PSP Midco, LLC (6507), Pet Supplies “Plus”, LLC (5852), PSP Group, LLC (5944), PSP Service Newco, LLC (6414), WNW Franchising, LLC (9398), WNW Stores, LLC (n/a), PSP Stores, LLC (9049), PSP Franchising, LLC (4978), PSP Subco, LLC (6489), PSP Distribution, LLC (5242), Franchise Group Intermediate SL, LLC (2695), Franchise Group Newco SL, LLC (7697), and Educate, Inc. (5722). The Debtors’ headquarters is located at 109 Innovation Court, Suite J, Delaware, Ohio 43015.

PRELIMINARY STATEMENT

1. Landlords do not generally oppose the assumption of the Leases pursuant to the Plan, but file this this objection to ensure that the Landlords are provided with the prompt cure of all defaults, and compensation for losses incurred by the Landlords in connection those defaults as required by section 365 of the Bankruptcy Code.

2. Specifically, (i) Debtors must cure all amounts due and owing under the applicable Leases, including non-monetary defaults, and compensate the Landlords for any pecuniary losses in connection with such defaults; and (ii) Debtors must timely pay all post-petition rent and additional rent due under the Leases.

3. Landlords will continue to work with Debtors to address these outstanding issues, but reserve the right to argue them at the hearing.

BACKGROUND

4. Landlords are the owners or managing agents for the owners of numerous industrial, retail, distribution, and shopping center properties located throughout the United States leased by the Debtors pursuant to written leases (each, a “Lease,” and, collectively, the “Leases”) at the locations listed on **Exhibit 1**, attached hereto (collectively, the “Leased Premises”). Many of the Leased Premises are located in shopping centers as that term is used in section 365(b)(3) of title 11 of the United States Code (the “Bankruptcy Code”). *See, e.g., In re Joshua Slocum, Ltd.*, 922 F.2d 1081 (3d Cir. 1990).

5. On November 3, 2024 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief pursuant to chapter the Bankruptcy Code with this Court. The Debtors remain in possession of their properties and continue to manage their businesses as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

6. On November 11, 2024, the Debtors filed their initial *Joint Chapter 11 Plan of Franchise Group, Inc. and Its Affiliated Debtors* (the “Plan”).² The Debtors’ proposed Plan has been amended several times, with the operative version filed on April 25, 2025.

7. On April 30, 2025, Debtors filed the current version of the supplement to their proposed Plan (as amended, the “Plan Supplement”)³ which, at Exh. K, identified contracts that may be assumed by the Debtors in connection with confirmation of the Plan, along with Debtors’ proposed cure amount for each of the contracts (the “Cure Notice”).

8. The Debtors’ initial proposed cure amounts for the Leases, as reflected in the Cure Notice, are included on **Exhibit 1**, attached hereto, in the column titled “Debtor Cure Amount.”

LIMITED OBJECTION AND RESERVATION OF RIGHTS

9. Since the filing of the Cure Notice, the Debtors and Landlords have reconciled many of the unpaid pre-petition cure amounts. The updated cure amounts for each of the Leases as of May 1, 2025 are set forth on **Exhibit 1**, attached hereto, in the column titled “Corrected Cure Amount.”

10. To the extent that rent, attorneys’ fees, interest, and/or other charges continue to accrue, and/or Landlords suffer other pecuniary losses with respect to the Leases, Landlords reserve the right to amend the Corrected Cure Amounts to reflect such additional amounts or to account for year-end adjustments, including, without limitation, adjustments for 2023, 2024, and 2025, which have not yet been billed or have not yet become due under the terms of the Leases (the “Adjustment Amounts”). Debtors must be responsible for satisfying all accrued but unbilled obligations under the Leases, including the Adjustment Amounts, if any, when due in accordance

² Docket No. 150.

³ Docket No. 1371.

with the terms of the Leases, regardless of when such Adjustment Amounts were incurred. Landlords further reserve the right to amend the Corrected Cure Amounts to include additional amounts that continue to accrue, including non-monetary obligations, and any other obligations that arise and/or become known to Landlords prior to the assumption of the Leases.

11. Landlords reserve the right to amend and/or supplement this Objection on any basis, including, without limitation, by amending the Corrected Cure Amounts.

12. To the extent not inconsistent with this Objection, Landlords join in the objections of other landlords and contract counterparties.

CONCLUSION

WHEREFORE, Landlords respectfully request that the Court enter an order (i) conditioning the assumption of the Leases pursuant to the Plan on (a) Debtors continuing to pay amounts outstanding under the Leases until the time that they are assumed, assumed and assigned, or rejected, and (b) Debtors promptly paying the cure amounts set forth in the column titled “Corrected Cure Amount” on **Exhibit 1**, attached hereto, plus any additional pecuniary losses suffered by Landlords; and (ii) granting such other and further relief as the Court deems just and proper.

[signature page follows]

Dated: May 14, 2025

**LAW OFFICE OF SUSAN E. KAUFMAN,
LLC**

/s/ Susan E. Kaufman

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EXHIBIT 1**Benderson Development Company**

Store No.	Mall / Property Name	Location	Debtor Cure Amount	Corrected Cure Amount
113	West Seneca	West Seneca, NY	\$0.00	\$16,788.59
116	Delaware Road Plaza (North)	Buffalo, NY	\$0.00	\$28,469.83
174	Transit Commons (DeerCreek)	East Amherst, NY	\$0.00	\$21,173.36
197	BLVD Crossings	Amherst, NY	\$0.00	\$22,822.48

Regency Centers, L.P.

Store No.	Mall / Property Name	Location	Debtor Cure Amount	Corrected Cure Amount
4139	Riverside Square / River's Edge	Chicago, IL	\$0.00	\$8,000.00
9038	Valley Stream	Valley Stream, NY	\$1,359.21	\$9,394.21

Shamrock A Owner, LLC

Store No.	Mall / Property Name	Location	Debtor Cure Amount	Corrected Cure Amount
9806	122 Palmetto Commerce Parkway	Orangeburg, South Carolina	\$16,704.98	\$24,704.98

SITE Centers Corp.

Store No.	Mall / Property Name	Location	Debtor Cure Amount	Corrected Cure Amount
9041	Southmont Plaza	Easton, PA	\$548.68	\$8,000.00
68	Stow Community Center (II) 4330 Kent Rd.	Stow, OH	\$0.00	\$8,000.00